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DIA & DOS review(s) completed.

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GENERAL

- 1. Rumania does not want Danube vessels now--US Delegate ACC Bucharest has been informed by the Rumanian Armistice Commission that it does not desire restitution of Rumania's Danubian vessels at this time because (a) no tugboats are available for returning the ships, and (b) the season is too advanced to make restitution advisable before spring. Officials of the Commission confided privately to the Delegation that the "real reason" for their not desiring the vessels now is the certainty that Soviet occupation forces "will immediately take them over."
- 2. <u>US view on Antarctic claims</u>—The State Department has instructed US Embassy Santiago that the <u>US</u> has neither asserted territorial claims in the Antarctic nor recognized claims of other countries.
- 3. US policy toward Iran--Acheson has authorized Embassy Tehran to inform Iranian officials that the US is prepared (a) to support Iran not only by words but also by appropriate acts, and (b) to consider sympathetically requests for the sale of "reasonable quantities of non-aggression military material" to assist Iran in maintaining internal order. The US also hopes to be able to intensify its informational and cultural program and to maintain its Military Missions in Iran, if Iran so desires; the State Department will support before Congress legislation permitting the continuance of these Missions beyond the national emergency period. The Embassy is instructed to emphasize that US assistance to Iran is based on the assumption that the Government is working in the true interests of the Iranian people and will endeavor to preserve Iranian sovereignty and independence.

EUROPE

4. USSR: Reluctance to join international organizations—US Embassy Moscow believes that the principal reason for the USSR's failure to join such international organizations as the International Bank, ITO and the PICAO is the Kremlin's desire to preserve its independence of action in world affairs. The Embassy discounts reports, attributed to Soviet officials, that lack of trained personnel is a major factor and points out Moscow's readiness to participate wherever definite advantages to the USSR are involved. By neither joining nor definitely refusing to join an international

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organization and by holding out hope that it might join if changes were made, the Kremlin achieves a bargaining position from which to undermine the organization.

Ban on US radio correspondents believed final—Ambassador Smith believes that the Soviet denial of radio facilities to US correspondents is based on a top-level decision and that further representations would be futile. The Ambassador believes that the real reasons for the ban probably include a desire to avoid encroachments on censorship through broadcasters' intonations and an intention to keep Radio Moscow the "pristine oracle of the faithful" for both domestic and foreign audiences.

5. RUMANIA: Modification of US attitude recommended—US Representative Berry, commenting on the Groza Government's "utter disregard for promises given and for elementary decency" in the 19 November elections, recommends that the US modify its attitude toward the Rumanian Government. He proposes that the US (a) officially inform the Rumanian Government that the elections were not "free and unfettered"; (b) continue "normal business" with the Government; (c) initiate tri-partite discussion of the Rumanian question "as early as possible on the same level that produced the Moscow decision"; and (d) refrain from giving official advice to King Michael, since the US "is in no position to back such advice with other than moral support."

NEAR EAST-AFRICA

- 6. IRAN: Qavam will appeal to SC any Azerbaijan resistance—Allen reports that Qavam is determined to send security forces into Azerbaijan in connection with the forthcoming elections. If Azerbaijan authorities resist, Qavam will appeal to the Security Council for assistance. Allen expresses the hope that the Department will support Iran's case strongly, if it is presented.
- 7. GREECE: Bandits assume "Republican Army" status--MacVeagh reports that the transformation of bandit forces in northern Greece into a self-declared "Republican Army" may have considerable propaganda importance.

TOP SECRET

US Military Attache Athens comments that the Communist objective is either to proclaim an autonomous Macedonia or to gain world-wide support in presenting left-wing bandits as "soldiers of democracy."

Large bandit force regrouping--MacVeagh also reports the bandit force in the engagement at Notia (Vardar Valley area).

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was in excess of 2,000. The engagement has been broken off and the bandits have apparently withdrawn into Yugo-slavia for regrouping.

8. INDIA: British pessimistic over political developments—US Embassy London reports that the India Office is very pessimistic as a result of Indian political developments. It fears that the coalition government may be breaking down and that the constitutional project may collapse.

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FAR EAST

9. CHINA: Communists reported lacking broad support—US Military Attache Nanking reports that, according to a Canadian UNRRA official with long experience in Honan, only the "have nots" in the province favor the Communist regime; it is disliked by all the "haves," including the least prosperous farmers and merchants. The MA believes this to be "generally true" of all Communist areas and that even a "slight measure of government reform, particularly on agrarian lines, would cut much ground from under the feet of the Communists."

THE AMERICAS

10. CHILE: Government may act in Braden strike—Bowers considers that the Chilean Government, in view of the company's "definitive refusal" to submit the two-months old Braden strike to arbitration, may take "drastic action." He believes that the arbitration proceedings, if attempted, would probably have upheld the company's point of view.